

Missouri Health Facilities Review Committee

believes the Certificate of Need (**CON**) Program must be strengthened to achieve the highest level of health for Missourians through cost containment, reasonable access, and public accountability.

**CON is good for the State, Business and Community.
Legislative reform and stable funding can make it even better.**

Good for the State . . .

- CON saves the residents of Missouri over \$144 in capital expenditures for every \$1 spent to administer the program.
- The Committee pays its own way as evidenced by a 12-year net gain of almost \$152,000 (revenue over expenses) to the state treasury; and
- CON could prevent \$30 million annually in additional Medicaid billings;

Good for Business . . .

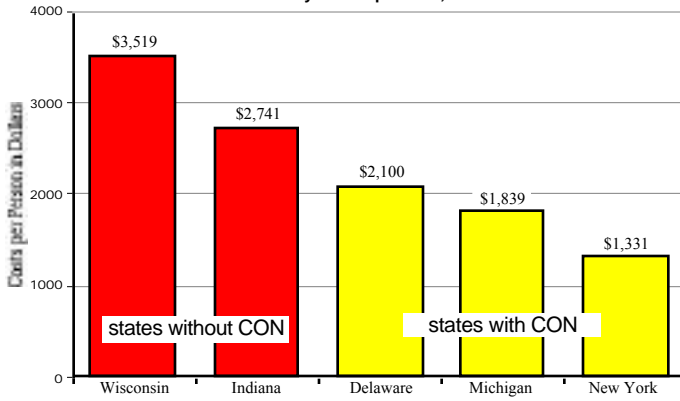
- Recent studies by DaimlerChrysler, Ford Motor Company, and General Motors found that their outlays per covered person were far less in states with CON than in states without CON (*see charts on reverse side*);
- The same studies found that diluting volume through proliferation of unnecessary and duplicative health services will actually diminish expertise, reduce quality, and drive up health care costs; and
- Blue Cross/Blue Shield, DaimlerChrysler, and the federal General Accounting Office studies have shown that, in health care markets, “supply creates demand”.

Good for the Community . . .

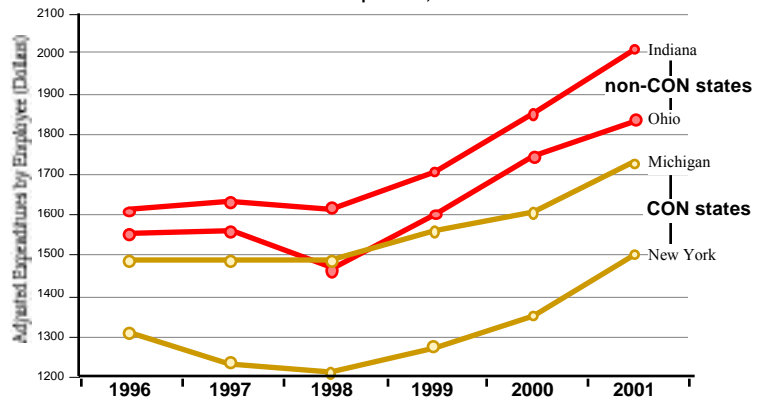
- As learned in other states without CON, providers will usually reduce services to rural, inner city, and high/special needs areas, and, instead, tend to locate services in more affluent, profitable areas;
- A recent university study proved that CON states have a 21% lower mortality rate for open-heart surgery than non-CON states, showing how high volume (often a proxy for quality) improves outcomes; and
- CON takes the public’s long-term best interest into account by providing the local community a voice in the development of health care services.

Our investment in responsible CON today will assure lower cost, higher quality and more accessible health services tomorrow.

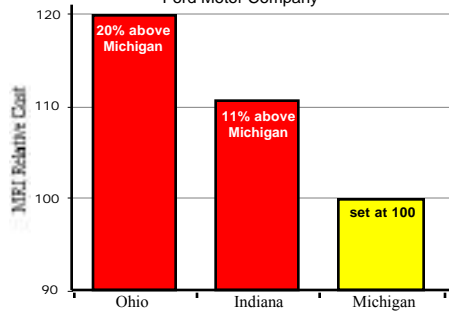
**Adjusted Health Care Cost Per Person
By Location and State CON Status**
DaimlerChrysler Corporation, 2000



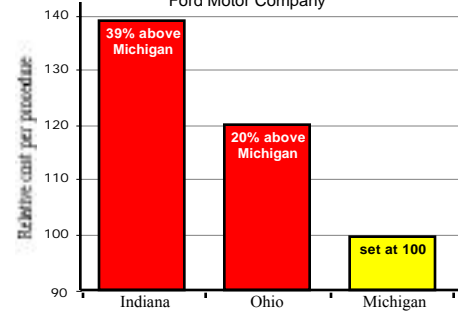
**Adjusted Health Care Expenditures Per Employee
By State and CON Regulation Status**
General Motors Corporation, 1996-2001



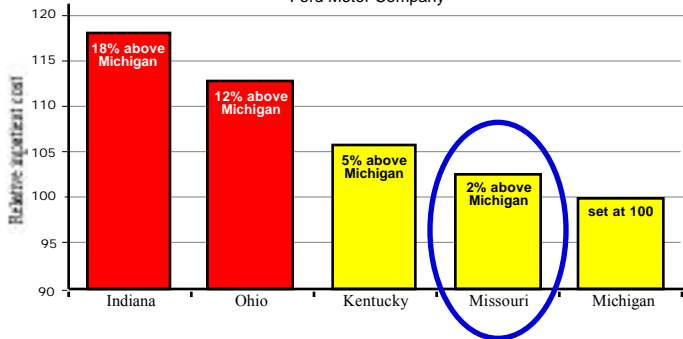
**Magnetic Resonance Imaging (MRI)
Relative Cost Per Service**
(per 1000 members normalized to Michigan Year 2000 = 100)
Ford Motor Company



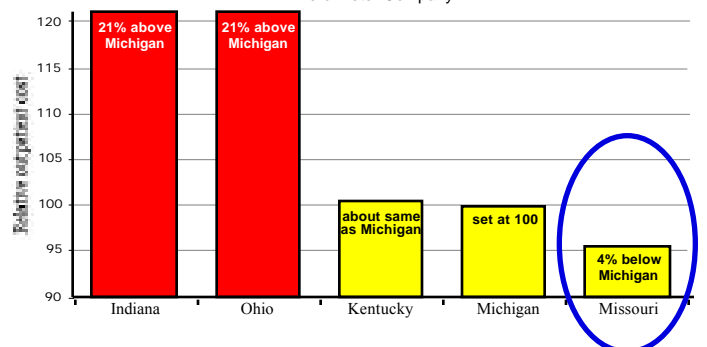
**Coronary Artery Bypass Graft (CABG) Surgery
Relative Cost Per Service**
(per 1000 members normalized to Michigan Year 2000 = 100)
Ford Motor Company



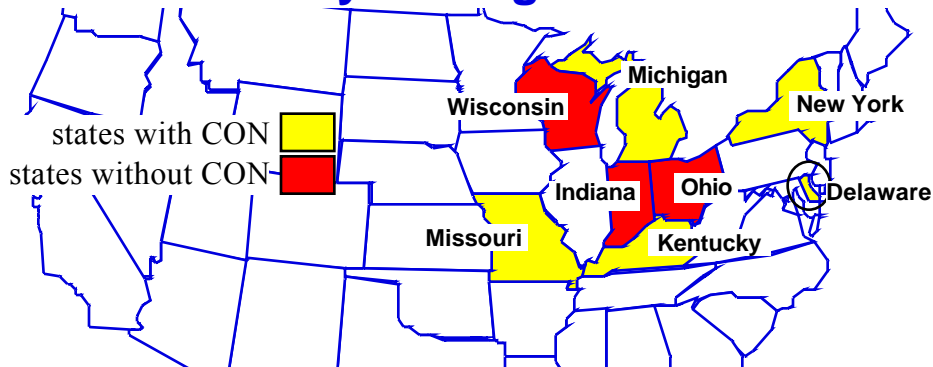
Hospital Inpatient Relative Cost
(per 1000 members normalized to Michigan Year 2000 = 100)
Ford Motor Company



Hospital Outpatient Relative Cost
(per 1000 members normalized to Michigan Year 2000 = 100)
Ford Motor Company



States Studied by the Big Three Automakers



... health care costs are lower in CON states ...